

LETTER OF UNDERSTANDING Contractual Review Committee

The Office of the State Employer and Michigan AFSCME Council #25 agree to establish a committee to address problems related to state contracting affecting the Institutional Bargaining Unit. Each party shall appoint three (3) members to the committee along with Lt. Governor John Cherry as an Ex-Officio member. The committee shall meet within thirty (30) days of the approval of this agreement by the Civil Service Commission, and at least quarterly thereafter upon the request of either party.

Letter of Understanding Limited Term Appointments

The employer has expressed a preference to reduce the use of limited term appointments and avoid any policy of promoting long term limited term appointments as a substitute for permanent full time positions. When an employee has been in any limited term appointment(s) for 4,160 continuous service hours (excluding military service hours) in the same department, the employee shall have the option of becoming a full time permanent employee by written notification to the Human Resource Director of the Agency, unless the employee is working in a project which has an established ending date. An employee in a limited term appointment for less than 4,160 continuous service hours (excluding military service hours) may apply to become a full time permanent employee by written request to the Human Resource Director of the agency. AFSCME'S Local President shall be advised of any employee who is working on a project with an established ending date. This provision shall not apply to employees in the Department of Corrections Central Office, nor shall it apply in the case of a continuing state classified employee who accepts an appointment to a limited term position in accordance with Article 13, Section A. If an employee elects to accept permanent full-time employment, their current position will be converted to full-time and be posted as an original vacancy. Such employee shall have bidding rights as specified in Article 14, Section C.

LETTER OF AGREEMENT DRUG AND ALCOHOL TESTING

The parties have discussed problems with the current drug and alcohol testing procedures. In order to attempt to facilitate resolution to problems incurred due to those issues, the Office of the State Employer and Michigan Council #25 agree to meet in accordance with Article 9 Section I, within 60 days after ratification of this agreement.

LETTER OF UNDERSTANDING
Article 10
Labor Management Meetings

Issues appropriate for discussion in the labor/management forum within the bureau of health care will be addressed by the Regional Healthcare Administrator rather than by the custody administration.

LETTER OF UNDERSTANDING
EMPLOYMENT AND CONTINUING CONDITION GUARANTEE

The Employer agrees that no employee in the Institutional Bargaining Unit will be indefinitely or temporarily laid off under the provisions of Article 13 Layoff and Recall Procedure nor shall the employer institute a reduction in hours under the provisions of Article 13 Layoff and Recall Procedure during fiscal year 2004. In the unanticipated event that it becomes necessary to abolish an occupied position necessitating a reduction in force during fiscal year 2004, the employer shall inform the union as early as possible, but not less than thirty (30) calendar days in advance of the layoffs and discuss upon request the potential impact upon unit employees caused by such layoffs. Employee bumping rights under Article 13 shall not be diminished.

Employees affected by such layoff will be offered alternative employment. Employees who do not accept such employment shall be laid off, and such layoff shall not be deemed to violate this guarantee.

The parties acknowledge the announced closure of the Western Wayne Correctional Facility and resultant impact on other DOC facilities, the possibility of the closure of the Sequoyah Unit at W. J. Maxey Training School and a reduction in the Youth Challenge program in the Department of Military and Veterans Affairs and therefore agree that employees affected by such layoff will be offered alternative employment consistent with this Letter of Understanding.

In the event the Employer refuses to offer alternative employment, upon Union request employee participation in the Banked Leave Time Program will be suspended for all employees in the bargaining unit for the remainder of this agreement beginning with the next pay period. All accrued Banked Leave Time hours shall remain subject to the provisions of the Letter of Understanding.

**LETTER OF UNDERSTANDING
COMPENSATORY TIME**

The parties agree that the members of the Institutional Bargaining Unit employed by the Family Independence Agency shall be eligible to accrue and use compensatory time in accordance with Article 15, Section N.

**LETTER OF UNDERSTANDING
Article 22, Section F. PRESCRIPTION DRUGS**

Effective March 1, 2004 or as soon thereafter as practicable the retail and mail order prescription drug plan will add a \$30 co-pay for non-preferred brand name drugs. Brand name drugs are deemed to be non-preferred because of the availability of a generic equivalent or a therapeutically or chemically equivalent brand name drug.

The Employer agrees to offer a special open enrollment period for health insurance following approval of this agreement.

**LETTER OF UNDERSTANDING
Article 22, Section Q. 9. SEVERANCE PAY
and
Article 22, Section DD. EMPLOYEE EDUCATION AND RESOURCE FUND**

In light of the State's current budgetary situation, the parties agree that following the processing of applications for severance pay received by the Employer not later than November 30, 2003 and reimbursement from the education and resource fund for courses concluded by January 30, 2004, any remaining dollars shall be withdrawn from the funds in Fiscal Year 2003-2004 to be applied toward the current budget deficit. Applications for tuition reimbursement must be submitted and complete by February 28, 2004.

**LETTER OF UNDERSTANDING
BANKED LEAVE TIME PROGRAM**

1. Eligibility.

Permanent and limited-term, full-time, part-time, and intermittent, probationary and non-probationary employees shall be required to participate in the Banked Leave Time Program (Program) known as Part B hours under the State's Annual and Sick Leave Program. Non-career employees are not eligible to participate in the Program.

2. Definitions and Description of Program.

An eligible employee shall work a regular work schedule, but receive pay for a reduced number of hours. The employee's pay shall be reduced by four (4) hours per pay period for full-time employees, and by a pro rata number of hours for less than full-time employees. The employee will be credited with a like number of Banked Leave Time (BLT) hours for each biweekly pay period.

3. Hours Eligible for Conversion to Program.

The number of BLT hours for which the employee receives credit shall be accumulated and reported periodically to participating employees. During the term of this Letter of Understanding, an employee shall not be able to accumulate in excess of 104 BLT hours. Accumulated BLT hours shall not be counted against the employee's regular annual leave cap, known as Part A hours under the Annual and Sick Leave Program.

The employee shall be eligible to use the accumulated BLT hours in a subsequent pay period in the same manner as regular annual leave, pursuant to Article 16, except that no employee shall use BLT hours if the employee is within forty (40) hours of their maximum annual leave (Part A) hour limit.

Except as provided in Article 15, Section N and Article 16, Section B, compensatory time must be utilized prior to the utilization of BLT hours.

4. Timing of Conversion of Unused Program Hours.

Upon an employee's separation, death or retirement from state service, unused BLT hours shall be contributed by the State to the employee's account within the State of Michigan 401(k) plan, and if applicable to the State of Michigan 457 plan. Such contributions shall be treated as non-elective employer contributions, and shall be calculated using the product of the following: (i) the number of BLT hours and, (ii) the employee's base hourly rate in effect at the time of the contribution.

If the amount of a projected contribution would exceed the maximum amount allowable under Section 415 of the Internal Revenue Code (when combined with other projected contributions that count against such limit), the State shall first make a contribution to the employee's account within the State of Michigan 401(k) plan up to the maximum allowed, and then make the additional contribution to the employee's account within the State of Michigan 457 plan.

5. Insurances, Leave Accruals and Service Credits.

Retirement service credits, overtime compensation, longevity compensation, step increases, continuous service hours, holiday pay, annual and sick leave accruals will continue as if the employee had received pay for the BLT hours. Premiums, coverage and benefit levels for insurance programs (including LTD) in which the employee is enrolled will not be changed as a result of participation in the Program. Employees shall incur no break in service due to participation in the Program. Subject to legislative approval, the Program is not intended to have

an effect on the Final Average Compensation calculations under the State's Defined Benefit Plan nor the salary used for employer contribution calculations under the State's Defined Contribution Plan.

6. Term.

The Program shall be effective February 29, 2004. The pay reduction and accrual provisions of this Letter of Understanding shall be in effect through the pay period ending February 26, 2005 unless extended by mutual agreement of the Parties.

**LETTER OF UNDERSTANDING
BANKED LEAVE TIME**

If the legislature does not pass amendments to the State Employees Retirement Act to provide for Banked Leave Time hours to be treated as time worked and time paid for purposes of retirement, the parties will meet to establish an appropriate process for addressing the resultant impact on retiring employees.

**LETTER OF INTENT
between
MICHIGAN AFSCME COUNCIL 25
and
THE OFFICE OF THE STATE EMPLOYER**

Re: Banked Leave Time

Under the Banked Leave Time Program, and in order to process special pay premiums and shift differential consistently, an employee will be paid for these special payments as they would be normally paid.

The Banked Leave Time accumulation is based on base rates only. For example, if an employee works 80 hours with high security premium and is required to bank four (4) hours of Banked Leave Time, that employee would bank four (4) hours at regular base rate, and get paid seventy-six (76) hours at his/her regular rate, and get paid eighty (80) hours of the incremental special pay premium.